

Chapter 18 - The Great Depression Begins - Answer Key

- 1) During the 1928 election campaign, Herbert Hoover promised to end Prohibition.
 - a) True
 - b) False**

- 2) Buying on margin was a method of buying stocks with mostly borrowed money.
 - a) True**
 - b) False

- 3) The stock market crash caused the Great Depression.
 - a) True
 - b) False**

- 4) During the early 1930s, dust storms blackened the skies of the Great Plains for hundreds of miles.
 - a) True**
 - b) False

- 5) Movies produced during the Depression usually focused attention on the plight of the homeless and unemployed.
 - a) True
 - b) False**

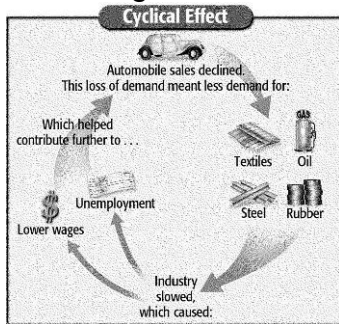
- 6) In response to the deepening Depression, Herbert Hoover massively increased government spending.
 - a) True
 - b) False**

- 7) Herbert Hoover pushed Congress to provide federal government money for direct relief of impoverished families.
 - a) True
 - b) False**

- 8) The Army finally expelled the Bonus Marchers from Washington with tear gas and fixed bayonets.
 - a) True**
 - b) False

- 9) Alfred E. Smith endured a smear campaign in the 1928 election because he was
- a) a Quaker.
 - b) a Mormon.
 - c) Catholic.**
 - d) Jewish.
- 10) During the Great Depression, when a bank collapsed,
- a) the government stepped in to run the bank.
 - b) the government covered the bank's debts.
 - c) the government repaid deposits on insured accounts only.
 - d) depositors lost their savings.**
- 11) In the 1920s, the Federal Reserve contributed to weaknesses in the stock market by
- a) keeping interest rates low.**
 - b) speculating on market interest rates.
 - c) lending to foreign companies.
 - d) lending to speculators.
- 12) Farmers on the Great Plains began to lose their crops during the Depression because
- a) the soil lost its fertility.
 - b) frequent rains eroded the soil.
 - c) a fungus depleted the soil of nutrients.
 - d) a terrible drought dried the soil.**
- 13) President Hoover hoped that public works would
- a) solve the budget deficit.
 - b) spur the construction industry.
 - c) provide jobs lost in the private sector.**
 - d) help reduce farm foreclosures.
- 14) The National Credit Corporation tried to rescue troubled banks by allowing them to
- a) restructure how they lent money to the public.
 - b) continue lending money to their communities.**
 - c) finance public works projects.
 - d) continue offering direct relief.
- 15) President Hoover opposed direct federal relief to the unemployed because he believed that
- a) only state and city governments should dole out relief.**
 - b) federal relief would shorten the Depression.
 - c) charities could provide sufficient relief until the economy improved.
 - d) individuals should be responsible for taking care of themselves.
- 16) Thousands of World War I veterans came to Washington in 1932 to lobby Congress to
- a) enact a bonus for war veterans and their families.
 - b) pass legislation giving veterans their promised bonus early.**
 - c) provide public works jobs for unemployed veterans.
 - d) provide military jobs for unemployed veterans.

17) According to the chart, a decline in the sales of automobiles meant there was less demand for



- a) plastic.
- b) auto insurance.
- c) repair shops.
- d) oil.**

18) "During [World War I] we necessarily turned to the government to solve every difficult economic problem. . . . When the war closed . . . we were challenged with a peacetime choice between the American system of rugged individualism and a European philosophy of diametrically opposed doctrines—doctrines of paternalism and state socialism."

—Herbert Hoover, campaign speech delivered October 22, 1928

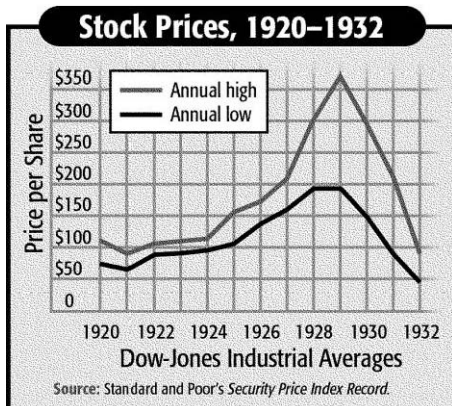
According to the excerpt, whom did the people of the United States turn to in order to solve difficult economic problems during World War I?

- a) European nations
- b) business leaders
- c) private charities
- d) the government**

19) The first feature-length animated film was

- a) Animal Crackers.
- b) The Wizard of Oz.
- c) Snow White and the Seven Dwarfs.**
- d) Mr. Smith Goes to Washington.

20) According to the chart, in what year was the largest gap between the annual high and the annual low in the stock market?



- a) 1929**
- b) 1932
- c) 1920
- d) 1926

21) Buying on margin was a method of buying stocks

- a) without using a broker.
- b) by pooling money with others.
- c) with mostly borrowed money.**
- d) without any risk.

22) Newly homeless people put up communities of shacks that they called

- a) hobo towns.
- b) Hoovervilles.**
- c) Bonus Armies.
- d) shacktowns.

23) President Hoover wanted state and city governments rather than the federal government to provide _____, or money given directly to impoverished families.

- a) relief**
- b) bonuses
- c) income
- d) loans

24) d Vivien Leigh

25) a Groucho Marx

26) f Douglas MacArthur

27) g John Steinbeck

28) c Bank Run

29) b Speculation

30) h Hobos

31) e Budget Deficit

- a) comic star of stage and screen who was one of the many people wiped out financially in the stock market crash
- b) investing in the stock market hoping for a quick profit
- c) many depositors withdrawing money at once
- d) actress who played the heroine in Gone with the Wind
- e) spending more than is collected in taxes
- f) led the troops that dispersed the Bonus Army
- g) wrote The Grapes of Wrath, about a family fleeing the Dust Bowl
- h) homeless wanderers who often rode the rails

32) d Alfred E. Smith

33) e Hattie McDaniel

34) f Herbert Hoover

35) a Foreclosure

36) b Installment Plan

37) c Shantytowns

38) g Dust Bowl

- a) loss of property due to nonpayment of a mortgage
- b) buying now and making payments each month
- c) communities of makeshift shacks on public lands
- d) Democratic candidate in the 1928 election
- e) first African American to win an Academy Award
- f) head of the Food Administration during World War I
- g) drought-related conditions in the Great Plains

- 39) b Reconstruction Finance Corporation
- 40) a Emergency Relief and Construction Act
- a) supplied direct relief funds to states
 - b) made loans to businesses